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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/787,503	07/06/2001	Patrick Remery	15675P351	3947

7590 10/02/2003

Blakely Sokoloff Taylor & Zafman
7th Floor
12400 Wilshire Boulevard
Los Angeles, CA 90025

EXAMINER

TREMBLAY, MARK STEPHEN

ART UNIT PAPER NUMBER

2827

DATE MAILED: 10/02/2003

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

09/787,503

Applicant(s)

REMERY ET AL.

Examiner

Mark Tremblay

Art Unit

2876

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE ____ MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 11 September 2003.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-3 and 10-20 is/are pending in the application.
- 4a) Of the above claim(s) ____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) ____ is/are allowed.
- 6) ☒ Claim(s) 1-3 and 10-20 is/are rejected.
- 7) ☐ Claim(s) ____ is/are objected to.
- 8) ☐ Claim(s) ____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on ____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
- Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- 11) ☐ The proposed drawing correction filed on ____ is: a) ☐ approved b) ☐ disapproved by the Examiner.
- If approved, corrected drawings are required in reply to this Office action.
- 12) ☐ The oath or declaration is objected to by the Examiner.

Priority under 35 U.S.C. §§ 119 and 120

- 13) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. ____.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- * See the attached detailed Office action for a list of the certified copies not received.
- 14) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. § 119(e) (to a provisional application).
- a) ☐ The translation of the foreign language provisional application has been received.
- 15) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. §§ 120 and/or 121.

Attachment(s)

- 1) ☐ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☒ Information Disclosure Statement(s) (PTO-1449) Paper No(s) 0911.
- 4) ☐ Interview Summary (PTO-413) Paper No(s) ____.
- 5) ☐ Notice of Informal Patent Application (PTO-152)
- 6) ☐ Other: _____

Filing date: 7/7/2001

5 The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

(a) the invention was known or used by others in this country, or patented or described in a printed publication in this or a foreign country, before the invention thereof by the applicant for a patent.

Claims 1-3, 10, and 18-20 are rejected under 35 U.S.C. § 102(a) as being anticipated by EP 0829,830 to Hirokawa ("Hirokawa" hereinafter). Hirokawa discloses a process for managing an electronic transaction by means of a bank card of the category with a microprocessor chip (IC card C), and of reading a terminal (3) able to interact with said card, in which the reading terminal sends a signal (via IC Card reader writer 37) to said card which indicates thereto the amount of the transaction (S214) and in which said card performs a first comparison step where it compares this amount with a first threshold value (s217) and instigates a bearer authentication procedure (s220) when this amount is above said first threshold, wherein, when the amount of the transaction is below said first threshold, said chip card performs a second comparison step (s218) where it compares with a second threshold value an incremented value of a first counter, said first counter being an aggregate of small amounts counter and being successively incremented by values of amounts of transaction in cases where said amounts are below said first threshold, said incremented value corresponding to the previous value of said first counter, incremented by the value of the amount of transaction, and wherein a procedure for authenticating the bearer of the card is instigated (s220) by said card depending on the result of this second comparison (if S218 = NO) (see especially figure 4).

Re claims 3 and 10, the first counter stores the incremented value both before and after the second comparison step.

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

This application currently names joint inventors. In considering patentability of the claims under 35 U.S.C. 103(a), the examiner presumes that the subject matter of the various claims was commonly owned at the time any inventions covered therein were made absent any evidence to the contrary. Applicant is advised of the obligation under 37 CFR 1.56 to point out the inventor and invention dates of each claim that was not commonly owned at the time a later invention was made in order for the examiner to consider the applicability of 35 U.S.C. 103(c) and potential 35 U.S.C. 102(f) or (g) prior art under 35 U.S.C. 103(a).

Claims 14 and 16 are rejected under 35 U.S.C. § 103 as being unpatentable over Hirokawa. Hirokawa does not specify either "positive" or "negative" incrementation. However, positive and negative are relative terminology. The skilled artisan would view positive or negative incrementation as functional equivalents. Moreover, without a definition of what a positive symbol is, and what a negative symbol is, the claims do not distinguish a real difference. In other words, the artisan could define 00010010 as either a positive or a negative number, by convention, and it would not change how the device operates. It would have been obvious at the time the invention was made to a person having ordinary skill in the art to use either positive incrementation or negative incrementation in Hirokawa, because the two are functionally equivalent, and the result of a symbolic naming convention only. As long as the artisan picks one or the other and sticks with the chosen convention, it will not make a difference.

Claims 11-13, 15, and 17, are rejected under 35 U.S.C. § 103 as being unpatentable Hirokawa in view of "Smart Cards", page 52, by Allen and Barr. Hirokawa teaches the features of the invention as described above, and further teaches the use of stored value on the card. Hirokawa teaches that value can be loaded onto the card via an online transaction. See column 1, lines 8-16. Hirokawa teaches the "transaction process" in figure 6, but does not go into great

5 detail about that process. As is well understood in the art, a card user must have a sufficient balance on the card in order to make a given transaction, whether the balance is online or stored on the card. In the case of Hirokawa, the balance is stored at 51. This balance represents a threshold for the highest possible transaction that the card can perform. If the balance value of 51 is \$60, for example, a transaction amount of \$70 cannot proceed using balance value 51 stored on the card. Again, this is a fundamental understanding in the card arts. "Smart Cards", a book about smart cards, provides evidence that it is well known in the art to "reload" the stored value on a card from a credit line with a bank. One obvious process, when the stored balance of the card is insufficient to process a desired transaction, is to go online to the credit company to "reload" the card, increasing the value above the needed limit to process the desired transaction. So, if the balance on the card is \$60, and the customer wishes to purchase \$70 worth of goods, then the terminal would allow the customer to access their on-line credit account to "reload" the card with at least \$10, in order to make the desired transaction. It would have been obvious at the time the invention was made to a person having ordinary skill in the art to have a third threshold value (the balance on the card) wherein transactions above the third threshold would cause the card to instigate a reloading procedure which would require interrogation by the reading terminal of an on-line credit authorization center which would allow the card to be "reloaded" with the appropriate amount of credit, because this would allow the user to purchase items above the current stored value on the card, using their on-line credit line, as taught by "Smart Cards".

Remarks

20 Most Americans are familiar with bank credit cards such as VISA. You apply to a bank, they send you a magnetic stripe card with the VISA logo, and then you are free to take it to any store, and purchase on credit, up to your credit limit. One particularly big advantage was purchases over the telephone, e.g. for airline tickets, concert tickets, etc. Because Americans became so dependent on such cards, people without them found themselves at a disadvantage. A market need developed for credit cards for people with bad credit, or no credit history. Banks filled this need with the "secured" credit card. A person with bad credit payed up front for a credit line, and received a magnetic stripe credit card that looked and worked exactly like a

regular VISA card. Looking at the card, or using the card, no one could tell that the holder had a "secured" credit card. The card swiped and authorized in exactly the same way. The bills came each month in the mail, and the lucky user actually paid interest to the bank if the new charges weren't paid off during the grace period. The only difference between a "secured" VISA and a regular VISA was that the risky customer had to mail a check with their application to receive their VISA. Technologically, it was identical. The "secured" VISA was identical to the regular VISA in the same way an HP LaserJet 4100 bought at BestBuy is identical to an HP LaserJet 4100 won at a FOSE trade show drawing. The printers are technologically and physically identical. It doesn't matter what the customer paid for it.

Applicant has argued that Hirokawa teaches a pre-paid card, or an electronic purse. The Examiner respectfully disagrees. In column 1, lines 10-11, Hirokawa teaches that there is no difference technologically whether the card is given to the consumer on the basis of "purchase or allowed credit". Likewise, in the Applicant's invention, it would make no difference whether the "bank card" was a secured type, or an unsecured type. It would function identically.

The Examiner's view is that Hirokawa's invention modifies a typical "electronic purse" card to be more like a bank card by requiring authentication when the accumulated transactions reach a threshold. Applicant's invention modifies a typical bank card to be more like an electronic purse by allowing no authentication for small transactions, until the accumulated transactions reach a threshold. In the end, the two inventions meet in the middle and are the same. The argument that Hirokawa is a modified electronic purse, while Applicant's invention is a modified bank card does little to persuade the examiner.

Moreover, the argument that the accumulation of transactions is different in Hirokawa because Hirokawa is prepaid, and therefore stores actual monetary value, while the Applicant's accumulation of transactions does not store actual monetary value because it is not prepaid, is as illusory as the difference between the magnetic stripe on a secured card and the magnetic stripe on an unsecured card.

Voice

Inquiries for the Examiner should be directed to Mark Tremblay at (703) 305-5176. The Examiner's regular office hours are 10:30 am to 7:00 pm EST Monday to Friday. Voice mail is

available. If Applicant has trouble contacting the Examiner, the Supervisory Patent Examiner, Michael Lee, can be reached on (703) 305-3503. Technical questions and comments concerning PTO procedures may be directed to the Patent Assistance Center hotline at 1-800-786-9199 or (703) 308-4357.

Fax Procedures

Application papers may faxed to Art Unit 2876 at (703)872-9306. Faxes must conform with the notice published in the Official Gazette, 1096 OG 30 (November 15, 1989). Papers solely for the examiner's consideration, and not intended for immediate entry into the application (e.g., a proposed amendment) should be unsigned and clearly marked "Draft Copy" and faxed to (703) 746-5577.


MARK TREMBLAY
PRIMARY EXAMINER

September 30, 2003